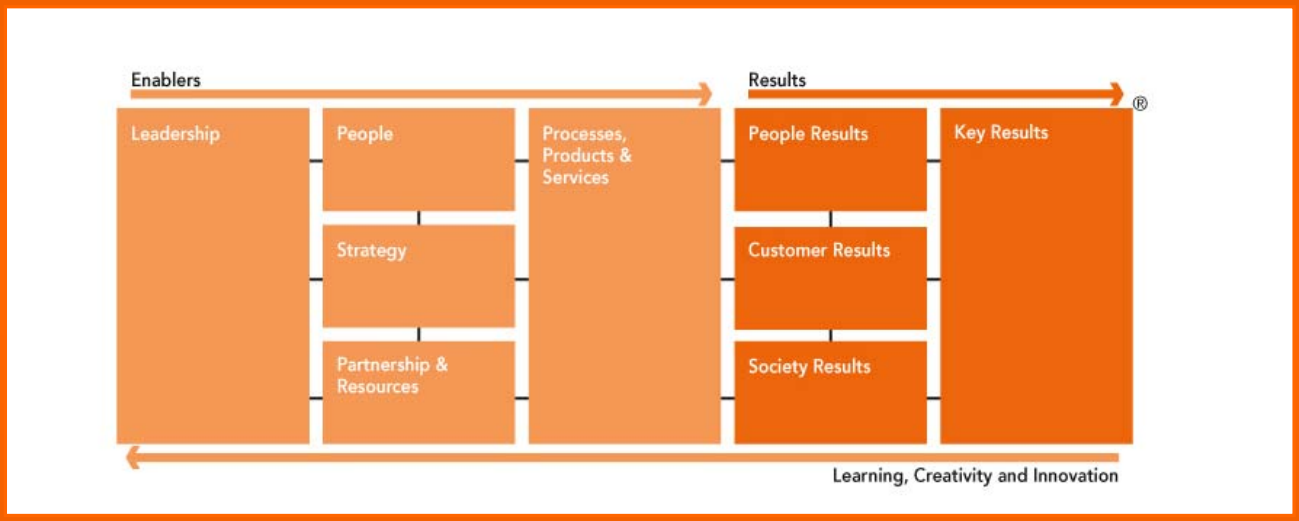
EFQM MODEL 2010

EFQM Publications
Shares what works.

Business Excellence Matrix

User Guide – EFQM Model 2010 Version



EFQM Shares what works

For the past twenty years we have shared what works between our member organisations as a way to help them implement their strategies: a mission which is as important as ever.

Through our network of members comprising private and public organisations of every size and sector, many active around the world, EFQM applies its know-how and extracts outstanding approaches by engaging with executives and front-line managers.

Ricoh / EFQM Pact Project

In 2007, the EFQM Board of Governors developed the concept of PACT Membership. Leading companies were invited to establish “Pact Projects”, forming a partnership to use their collective knowledge, skills and experience to generate new and innovative products and services that would benefit all EFQM Members. This Business Excellence Matrix tool has been developed as part of the Ricoh / EFQM Pact Project.

We have been working closely with the EFQM Members to identify specific areas of interest and best practice to improve the knowledge sharing between member organisations. As with most “knowledge management systems”, there isn’t a single solution. We will be developing different methods of sharing the knowledge and experience of members; giving real examples from real organisations.

The output of this project will be a series of benchmarking reports, case studies and best practices that will be made available to the membership in a variety of formats.

Through these, as well as through our other products and services, EFQM aim to "Share What Works".

About this document

This document has been written to explain how to use the Business Excellence Matrix (BEM) Excel based tool. The tool has been designed as a simple self-assessment tool that can support an organisation on their “Journey towards Excellence”.

The tool uses a sub-set of the EFQM criteria, so is not as comprehensive as a full EFQM assessment. However, the areas covered by the assessment will give you a holistic view of your organisation.

If you have any comments on how this document or the self-assessment tool can be improved, please email matt.fisher@ricoh-europe.com.

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Introduction

Foreword

The Business Excellence Matrix has been developed as a simple self-assessment tool to enable an organisation to assess it's current position against the EFQM Excellence Model 2010 and identify their key strengths and key improvement areas.

This version has been developed with EFQM to provide a platform that can be used to help organisations complete self-assessments and prepare for external assessment through the "Levels of Excellence" scheme. The information collected can also be used as the basis for an "Enabler Map"; sometimes called the "25 page approach".

This is not intended to be a "definitive" assessment tool. There are other self-assessment tools available and some of them may better suit your needs. What we've tried to produce is a simple tool that makes both self-assessment and preparing for external assessments easier.

The Matrix is based on a sub-set of the EFQM Model, so the scoring is limited to 600 points, rather than 1000. If you're honest in your assessment, the matrix will give you a reasonably accurate indication of your score. Our experience within Ricoh has taught us that once the organisation reaches a score of around 500 points, they need to adopt a more rigorous approach to assessment. This is because once this level of maturity is achieved, you need to refine the approaches adopted, engaging the creativity and innovation of your people and other stakeholders. This requires a more comprehensive understanding and application of the RADAR logic.

Excellence is, after all, not about ticking boxes.

Matt Fisher
CSR Division, Ricoh Europe

EFQM Excellence Model

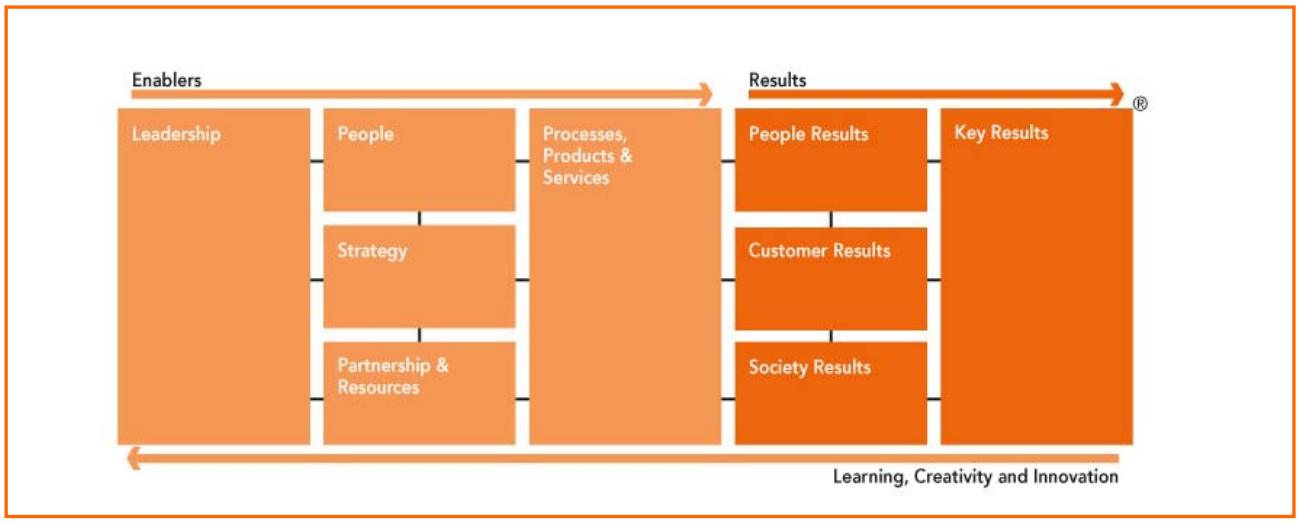
The EFQM Excellence Model was developed in 1990 to provide a framework for organisations to determine the effectiveness of their strategy development and implementation. It is not a "check list". It is non-prescriptive and can be applied by any organisation, regardless of size or sector.

The Model has been reviewed a number of times over the past years, incorporating new ideas and thinking, legislative and regulatory requirements and adapting to the changing global economic, societal and political environment. The latest version is the 2010 Model.

The EFQM Excellence Model 2010 is made up of 3 parts;

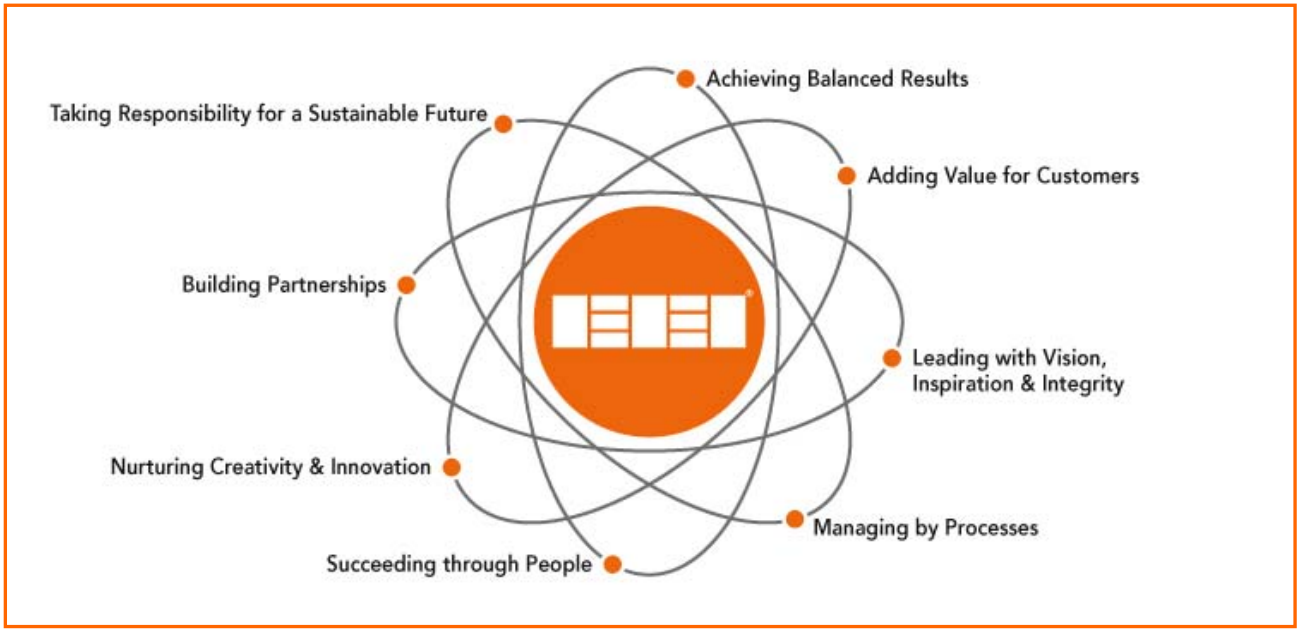
- The Fundamental Concepts of Excellence
  - There are 8 concepts of excellence which underpin the Model and are the "red threads" that run through the 9 Box Model. These are used to provide a holistic overview.
- The 9 Box Model
  - This is the most recognised part of the EFQM Model. There are 32 criterion parts grouped under 9 criteria, each represented as one of the 9 boxes. These are used to understand the details within the organisation.
- RADAR
  - The RADAR is the tool used to assess and score during the assessment process. It is based on a cycle of continuous learning and improvement.

Whilst the names and content have changed, the 9 box model remains the core and is widely recognised. The concept is simple; on the left side there are five "enablers". These are the things we do within our organisation; strategies, policies and processes, and the people who are involved in doing them, both within and outside the organisation. On the right hand side there are four "results"; the measures that show how an organisation is performing in relation to the strategies, targets and objectives they have set. If we want to improve a result, we need to make a change to one of the enablers. The Model is, at its simplest, a "cause and effect" diagram.



Completing a Self-Assessment

Self-assessments is a process of achieving consensus within a group, based on the evidence available. The best way to achieve this is to run workshops with a group of relevant managers, process owners and subject experts who can explain the key approaches, review the results available and agree the current maturity level. You can either run a single workshop with the Management Team or a series of workshops, each focusing on a specific topic.



We have themed workshops using the Fundamental Concepts of Excellence. The fundamental concepts are the "Red Threads" that run through the criteria. We have found it easier to establish the links between the different approaches and criteria focusing on these themes, rather than working through criteria by criteria. The conversation tends to flow more freely as you're not jumping from one subject to the next so frequently. This approach also enables experts to join the section relevant to their specific area of interest.

Using the Business Excellence Matrix

About the Excel Tool

We have developed the Matrix in Excel as most organisations have access and are familiar with it. It's also easy to produce graphs, move data around and transfer information to other applications, such as Word when you want to produce a nice, glossy submission document.

We've avoided developing a "high tech" solution with a lot of whistles and bells as we wanted to provide something free and accessible to all EFQM Members. We've also avoided using macros and such to reduce the complexity and avoid issues with firewalls.

Please note: we've kept the "security" on the file to a minimum so it's easy to input your information. However, there are a number of calculations and look ups within the document. If you start adding rows, columns or sheets, you might break it.

Completing the "Enabler Map"

To complete the enablers section, you need to use the "Input Sheet". It is possible to complete this from beginning to end in a single day session. You can either complete this criterion by criterion or concept by concept.

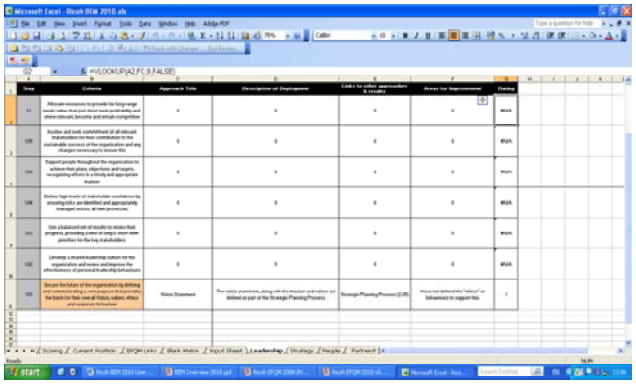
The "Input Sheet" allows you to complete either a self-assessment or the Enabler Map template. The fields on the spreadsheet are:

Ref	This number relates to the boxes within the matrix. The first number indicates the criterion e.g. 1.XX is from Leadership. The second number indicates the position on the grid.
FC	This is the "Fundamental Concept of Excellence" that the criteria relates to. If you want to focus on a specific FCs, select it from the drop down menu.
Criteria	This statement is taken directly from the guidance points in the EFQM Model 2010. The guidance points are there as examples of what we would expect to see in an excellent organisation. The model is not prescriptive so does not say HOW you would achieve this.
Approach Title	Agree the approach that you have within your organisation that best fits the criteria guidance point.
Description of Deployment	Describe, in a couple of brief sentences, how the approach works within your organisation. You should focus on the key aspects of the approach and deployment only; you don't need to go into detail here.
Links to other approaches & results	Indicate the links using the reference numbers for approaches and / or the name of relevant results. You can make these both forwards and backwards in the document. For example, you can link the personal objectives setting approach to the performance appraisal approach and on to a relevant question in your employee survey.
Areas for Improvement	During the discussion, you can capture ideas for improvement actions or current plans for improvement.
RADAR Rating	The RADAR rating is a simple drop down, based on the maturity of the approach and how far through the RADAR cycle you are. The colour in the matrix is a "traffic light", based on this rating.
Rating	The rating is a numerical value, based on the RADAR rating above. This is used for calculating the score. Don't delete it.
Owner	Indicate who the owner of the approach is. This indicates who to speak to for more information on the approach; very important if you're planning an external assessment.

The RADAR Rating options are shown on the left. They are statements based on the RADAR. After reviewing the "Description of Deployment" you have written, agree the rating.

- If there is no clear approach, with a defined process supporting it, but there are examples that "seem to fit", this should be rated as 1.
- If the approach has been defined and the initial deployment to all appropriate areas of the organisation has been completed, this can be rated as 2.
- If there is evidence that the effectiveness of the approach and deployment are being measured and reviewed, this rates as 3.
- If there is clear evidence that the approach and deployment have been reviewed and improvements implemented, with measurable benefits achieved, it can be rated as a 4.

Description	Score
Examples available but not structured (ad-hoc)	1
Approach defined and initial deployment complete	2
Evidence of approach and / or deployment being measured and reviewed	3
Clear evidence of approach and deployment being improved	4



It is better to be cautious; only go for a higher rating if there is consensus, based on the evidence. If you're not sure, go for the rating below and note the improvement required to achieve the next level. You can also capture ideas for further improvement and give something a maximum rating. This demonstrates continuous learning and improvement.

The information from the "Input Sheet" automatically populates the criterion tabs (see above). Whilst it is often easier to capture the information using the Fundamental Concepts to group the input, the scoring of the assessment works on criteria. The tool will print an overview page for each criterion.

Producing an Enabler Map for External Assessment

There is a tab within the workbook called "Enabler Map". This captures the information an Assessor Team would need to prepare a site visit. This does not include all the data from the input sheet. The "Areas for Improvement" identified and the self-assessment scores are not transferred.

The Enabler Map can either be produced directly from the Excel file or transferred to Word (or another application).

Collecting the Results

There are sheets at the end of the file to input data for the 4 results criteria. There are a total of 12 measures. These should be split to show 6 measures for each of the results sub-criteria, as indicated in the table. We have provided space for the actual result achieved, the target and a relevant benchmark. More lines can be added to these 4 sheets without affecting the tool.

You can populate the results area with relevant results either before completing the Enablers section or afterwards. If you collect it before, you need to check that the measures you've collected are relevant to the approaches described. This cross checking also helps to ensure you've been realistic in your scoring. For example, if an enabler has been rated "green" but there is no relevant data to prove the effectiveness or efficiency is being measured and improved, you should review the scoring.

Assessing the Results

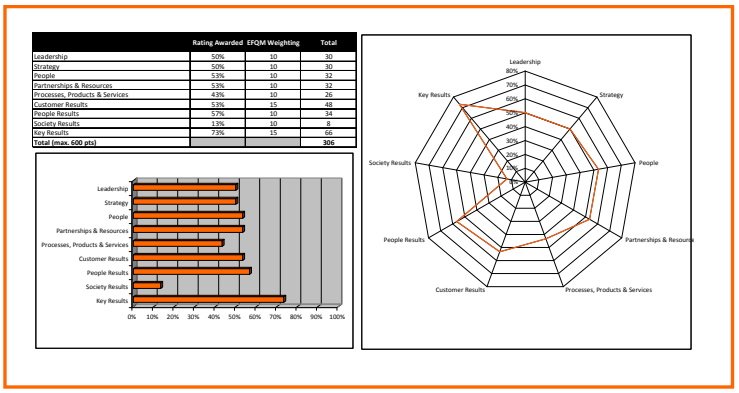
The scoring for the results areas is done using the "Results RADAR" sheet. Once you've collected all the available data, you can complete the assessment. Read the "criteria" on the Results RADAR sheet. Based on the results available, select the appropriate rating from the drop-down list (see diagram). The scoring of results tends to be a little more straightforward than enablers, especially when you're looking at trends, targets and comparisons; you either have them or you don't.

Rating	Score
No results	1
About 1/4 of result areas	2
About 1/2 of result areas	3
More than 3/4 of result areas	4

Creating the Summary

Once the assessment is complete, the score will be calculated automatically. The score is limited to 600 points as the full EFQM criteria are not being used in this process. This prevents "over scoring".

The beauty of the EFQM Model is the ability to drill down into detail using the criteria and then use the "Fundamental Concepts" to produce a high level management summary. During the self-assessment, you will find common themes coming up, regardless of the subject you are looking at. These could be things like "We haven't set targets for that area" or "We do that but we don't have a process documented." These would relate to more than one criteria but one Fundamental Concept ("Achieving Balanced Results" and "Managing by Processes", in the examples above).



Based on the information, agree 3 or 4 “key strengths” and 3 or 4 “key improvement areas” giving a holistic summary. These would be the recurring themes that come up during the assessment. Both the strengths and improvement areas should be relevant to the organisation’s strategic ambitions.

Planning and Implementing Improvements

For the “key areas for improvement”, an owner needs to be agreed. This should be based on functional responsibility. If the improvements have been aligned to the strategic objectives, this would normally be a member of the management team or one of their direct reports. The owner is then responsible for establishing a team to develop and implement the improvement plan.

The Matrix can be incorporated as part of the business planning process to check that the proposed action plans are aligned to the overall strategy of the organisation and address the issues identified. Agreed improvement can be included in the annual plans and, where appropriate, the annual objectives of the relevant people. In this way, the improvement actions become part of “business as usual”.

Progress against the improvement plans should be reviewed by the owner. Reviewing the self-assessment then becomes an annual exercise, as part of the annual planning process.

Gaining External Recognition from EFQM

The EFQM “Levels of Excellence” scheme are designed to recognise where an organisation is on their “Journey to Excellence”, starting with “Committed to Excellence” and ending with the “EFQM Excellence Award”. The BEM is designed to support organisation from their first self-assessment through “Committed to Excellence” and “Recognised for Excellence” and provides a solid platform for an application to the EFQM Excellence Awards.

An enabler map produced from the BEM, with a supporting organisational overview and result, can be used as a submission document for both “Committed to Excellence” and “Recognised for Excellence”. This means you can use the same tool for self-assessment and external recognition through these levels, avoiding duplication and simplifying the process.

After all, the focus should be on making your organisation better, not documenting what you’ve done.

EFQM Excellence Model 2010 – Criteria

1a.	Leaders develop the mission, vision, values and ethics and act as role models
1b.	Leaders define, monitor, review and drive the improvement of the organisation's management system and performance.
1c.	Leaders engage with customers, partners and representatives of society
1d.	Leaders reinforce a culture of excellence with the organisation's people
1e.	Leaders ensure that the organisation is flexible and manages change effectively
2a.	Strategy is based on understanding the needs and expectations of both stakeholders and the external environment
2b.	Strategy is based on understanding internal performance and capabilities
2c.	Strategy and supporting policies are developed, reviewed and updated to ensure economic, societal and ecological sustainability
2d.	Strategy and supporting policies are communicated and deployed through plans, processes and objectives
3a.	People plans support the organisation's strategy
3b.	People's knowledge and abilities are developed
3c.	People are aligned, involved and empowered
3d.	People communicate effectively throughout the organisation
3e.	People are rewarded, recognised and cared for
4a.	Partners and suppliers are managed for sustainable benefit
4b.	Finances are managed to secure sustained success
4c.	Buildings, equipment, materials and natural resources are managed in a sustainable way.
4d.	Technology is managed to support the delivery of strategy
4e.	Information and knowledge are managed to support effective decision making and to build the organisational capability
5a.	Processes are designed, managed to optimise stakeholder value
5b.	Products and Services are developed to create optimum value for customers
5c.	Products and Services are effectively promoted and marketed
5d.	Products and Services are produced, delivered and managed
5e.	Customer relationships are managed and enhanced

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